

REMARKS/ARGUMENTS

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Initially, an Information Disclosure Statement (IDS) in conformity with requirements of 37 C.F.R. § 1.97-1.98 was filed on October 21, 2002. The reference cited on line AQ in the IDS has not yet been acknowledged or made of record by the Examiner. It is respectfully requested that the reference cited on line AQ in the Information Disclosure Statements filed October 21, 2002 be considered on the record, and that the Examiner send the undersigned an initialed off PTO-1449 form to that effect.

Claims 1-16, 20-36, 38-54, 67-69, 70, 73-125 are pending in the present application, Claims 1-16, 20-35, 38-54, 70, 73-95, 97-108, 110-124 having been amended, and Claims 17-19, 37, 55-66, 71, and 72, having been canceled without prejudice or disclaimer. Claims 1-16, 20-35, 38-54, 70, 73-95, 97-108, 110-124 are amended to more clearly describe and distinctly claim the subject matter regarded as the invention without the introduction of new matter.

In the outstanding Office Action, Claims 14-19 and 67-69 were rejected under 35 U.S.C. §101; Claims 17 and 24 were rejected under 35 U.S.C. §102(e) as anticipated by Yoshiura et al. (U.S. Patent No. 6,131,162, hereinafter Yoshiura); Claims 38-40, 46-52, 97-100, 103-111, and 118-125 were rejected under 35 U.S.C. §102(e) as anticipated by Musgrave (U.S. Patent No. 6,208,746); Claims 67 and 69 were rejected under 35 U.S.C. §102(e) as anticipated by Gell (U.S. Patent No. 6,577,858); Claims 1-7, 9-16, 25, 29, 32-35, 70, 73-75, 77-78, and 88-96 were rejected as unpatentable over Yoshiura in view of Musgrave; Claims 41, 42, 53, 101, and 102 were rejected under 35 U.S.C. §103(a) unpatentable over Musgrave in view of Yoshiura; Claims 8, 76, and 79-87 were rejected under 35 U.S.C. §103(a) as unpatentable over Yoshiura in view of Musgrave, and further in

view of Milsted; Claim 26 was rejected under 35 U.S.C. §103(a) as unpatentable over Yoshiura in view of Musgrave, and further in view of Finkelstein et al. (U.S. Patent No. 5,185,733, hereinafter Finkelstein; Claims 27, 28, 30, 31, and 36 were rejected under 35 U.S.C. §103(a) as unpatentable over Yoshiura in view of Musgrave, and further in view of Gell; Claims 43-45 were rejected under 35 U.S.C. §103(a) as unpatentable over Musgrave in view of Gell; Claims 54 and 112-117 were rejected under 35 U.S.C. §103(a) as unpatentable over Musgrave in view of Milsted; and Claim 68 was rejected under 35 U.S.C. §103(a) as unpatentable over Gell in view of Milsted.

With respect to the rejection of Claims 17-19 under 35 U.S.C. §101, this ground of rejection is moot in view of the cancellation of Claims 17-19.

Applicants respectfully direct the Examiner's attention to the recent decision of the Board of Patent Appeals and Interferences Ex Parte Lundgren (76 U.S.P.Q.2d 1385 (BPAI 2005)). As made very clear in the Lundgren decision, there is currently no judicially recognized separate "technological arts" test for determining patent eligible subject matter under 35 U.S.C. §101. As such, the references to this standard in paragraph 2 of the Official Action are improper.

As for the rejection of Claims 14-16 under 35 U.S.C. § 101, that rejection is respectfully traversed. Claim 14, from which Claims 15 and 16 depend from, has been amended to recite "wherein a reproducing/recording apparatus accesses the data stored on the data carrier."

MPEP § 2106 discusses statutory subject matter in relation to data structures of a computer readable medium. Particularly, MPEP § 2106 provides,

**a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which**

**permit the data structure's functionality to be realized,  
and is thus statutory.**

Thus, based on the clear language of this section, Claim 14 (and Claims 15 and 16 dependent thereon) are statutory as they define a functionality of which is realized based on the interrelationship of the structure to the medium and recited hardware components.

Further, should the Examiner disagree with the above passage, MPEP § 2106 also states that,

Whenever practicable, Office personnel should indicate how rejections may be overcome and how problems may be resolved. A failure to follow this approach can lead to unnecessary delays in the prosecution of the application.

Applicants respectfully submit, as noted above, that the rejection under 35 U.S.C. §101 should be withdrawn. However, if the rejection under U.S.C. §101 is to be maintained, applicants respectfully request that the Examiner provide an explanation of the rejection in view of the guidelines of MPEP §2106.

With respect to the rejection of Claim 67-69 under 35 U.S.C. §101, Applicants respectfully submit that the amendment to Claim 67 overcomes this ground of rejection. Independent Claim 67 is amended to recite "A computer readable signal...wherein a computer processes the signal so as to access information in the signal." Thus, applicants respectfully submit that the invention in Claim 67 produces a concrete, useful, and tangible result. Accordingly, Applicants respectfully submit that Claim 67 (and dependent Claims 68 and 69) define patentable subject matter.

With respect to the rejection of Claims 17-19 as anticipated by Yoshiura, Applicants respectfully submits that these grounds of rejection are moot in view of the cancellation of Claims 17-19.

With respect to the rejection of Claim 20 as anticipated by Yoshiura, Applicants respectfully submit that Yoshiura does not disclose or suggest all the elements of amended

Claim 20. Applicants note that Claim 20 is amended to remove the dependency from Claim 1.

The apparatus of Yoshiura is used for digital data authentication. A signature key and a verification key are generated in a purchaser system before any content is distributed. The signature key is stored in a storage unit in the purchaser system. The verification key is sent to a provider of content and stored therein. The verification key is used then to encrypt stored content which is sent to a purchaser. Once the encrypted material is received by the purchaser, the signature key which was stored within the purchaser system is used to decrypt the content. A digital signature of the content is created within the purchaser system which is encrypted using the signature key of the purchaser. This encrypted signature is embedded in the content.

If the content, having the embedded signature, is illegally copied, the provider system, which knows the details of the signature, compares the copied material (which has the encrypted signature embedded therein) with the original material. The verification key, which was generated in conjunction with the signature key, is used to determine which purchaser has illegally copied the material. The decryption and digital signature creation/embedding may also be carried out by a smart card.

In other embodiments, when many right holders want to protect a piece of content, each right holder generates a signature key and a verification key. The verification key is sent to the provider which is subsequently stored and the signature key is stored at the right holder terminal.

The content is encrypted using the first right holder's verification key and is sent, from the provider, to the first right holder whom decrypts the content and adds the digital signature, as described earlier. The content, with encrypted signature embedded therein, is sent back to the provider. The provider decrypts the content using the verification key and

re-encrypts the content using the verification key of the second right holder. This encrypted content is sent to the second right holder and the process is repeated.

Other embodiments of Yoshiura relate to implementing the general authentication system described above in a mark management system. Details of those embodiments were previously explained in prior responses.

Accordingly, it is submitted that amended Claim 20 (and all claims dependent thereon) patentably distinguish over Yoshiura. Furthermore, as the outstanding Office Action appreciates that Yoshiura does not disclose or suggest the method of Claim 1 (as evidenced by the outstanding Office Action's failure to reject Claim 1 using Yoshiura), Applicants respectfully submit that Claim 20, which is amended to be similar to Claim 1, patentably distinguishes over Yoshiura for reasons similar to those for Claim 1.

With respect to the rejection of Claims 38 under 35 USC §102(e) as anticipated by Musgrave, applicants respectfully traverse the rejection.

Musgrave discloses a method of applying biometric watermarks to a piece of electronic data. The apparatus of Figure 1 in Musgrave best describes the system disclosed therein. A user generates biometric data, such as by having a retina scan and transmits this information, along with a request for a particular piece of data, to a data provider. The data provider then encodes the requested data bit stream using the biometric data and transfers this biometrically encoded bit stream back to the user. The biometric data generated by the user is then used to decode the biometrically encoded bit stream.

Applicants respectfully submit that Musgrave does not disclose or suggest the claimed "applying identifying data to the material to identify the watermarked material."

The portion of Musgrave cited to in the outstanding Office Action relates to the biometric watermark which uniquely identifies *the user* rather than the material to which the watermark is applied.<sup>1</sup>

Musgrave also fails to disclose or suggest the claimed “transferring the removal data to the removal apparatus to allow removal of the perceivable watermark if the transaction server indicates that predetermined conditions for removal are satisfied.”

As noted above, the biometric data (the removal data) is generated, by the user, at the time the request for data is sent to the content provider. Thus, the removal data is not transferred to a removal apparatus to allow removal of perceivable watermark. In Musgrave, the user possesses the biometric data because he generated it.

Therefore, Applicants respectfully submit that Claim 38 (and all claims dependent therefrom) patentably distinguish over Musgrave.

With respect to Claim 46, now written in independent form, Applicants respectfully submit that Claim 46 patentably distinguishes over Musgrave. Claim 46 recites, *inter alia*, “a watermarking apparatus configured...to apply identifying data to the material that identifies the watermarked material.” Applicants respectfully submit that Musgrave does not disclose or suggest this element of Claim 46 for at least the reasons stated with respect to Claim 38.

With to the rejection of Claim 47 as anticipated by Musgrave, Applicants respectfully traverse the rejection. Using the above description of the system disclosed in Musgrave, it is apparent that there is no disclosure of a server having the features of Claim 47. Specifically, Musgrave does not disclose or suggest a server comprising “a first mechanism configured to receive and store data identifying watermarked material.” The material within the server of

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<sup>1</sup> Musgrave, col. 3, lines 12-16.

the content provider in Musgrave is not watermarked, and only becomes watermarked after the biometric data is transferred to the server from the user.

Musgrave does not disclose or suggest a server comprising “a second mechanism configured to receive the identifying data that identifies watermarked material from which a watermark is to be removed.” The server of Musgrave applies a watermark to all the requested content using the biometric data of the user.

Finally, Musgrave does not disclose or suggest a server comprising “a fourth mechanism configured to provide the removal data for transfer to an apparatus for removal of the perceivable watermark.” The server of Musgrave does not transfer removal data, as this is generated and stored within the user apparatus.

Thus, Applicants respectfully submit that Claim 47 (and all claims dependent thereon) patentably distinguishes over Musgrave.

With regard to Claim 97, an amendment has been made to the claim to clarify that the watermark removal data is transferred from the first processor to the second processor. Amended Claim 97 recites, *inter alia*, “subject to predetermined conditions being satisfied, transferring, from the first processor, to the second processor, watermark removal data.”

As noted above, in Musgrave, the biometric data is generated in the user apparatus and is not transferred from the server of the content provider to the user. Furthermore, it is submitted that there is no disclosure or suggestion in Musgrave of the transfer of watermark removal data subject to predetermined conditions being satisfied. On the contrary, the system of Musgrave transfers the biometrically encoded bit stream when purchase conditions are satisfied.

In view of the above-noted distinctions, Applicants respectfully submit that Claim 97 (and all claims dependent thereon) patentably distinguish over Musgrave.

With respect to Claim 103, which is now written in independent form, Patentably distinguishes over Musgrave. Claim 103 recites, *inter alia*, “the first processor further configure, subject to predetermined conditions being satisfied, to transfer watermark removal data to the one or more second processors.” Thus, Applicants respectfully submit that Claim 103 patentably distinguishes over Musgrave for at least the reasons stated for Claim 97.

With respect to the rejection of Claim 110 as anticipated by Musgrave, Applicants respectfully submit that Musgrave does not disclose or suggest, at least for the reasons stated above, the claimed “using, said first processor, to associate the material identifier with the material,” “storing said material identifier and data for inverting the algorithm,” “subject to predetermined conditions being satisfied, transferring, from the first processor, to the second processor, the watermark removal data associated with said material identifier.”

Thus, it is submitted that claim 110 (and all claims dependent thereon) patentably distinguish over Musgrave.

With respect to the rejection of Claims 67 and 69 under 35 U.S.C. §102(e) as anticipated by Gell, Applicants respectfully traverse this rejection. Applicants respectfully submit that Gell discloses an accounting system in a communication network. Although there is disclosed a signal having different portions as highlighted in Figure 14 of Gell, none of these portions include watermark removal data including a key and an invertible algorithm for configuring a removal algorithm. Thus, it is respectfully submitted that Claim 67 (and Claims 68 and 69 dependent thereon) patentably distinguish over Gell.

With respect to the rejection of Claim 1 under 35 U.S.C. §103(a) as unpatentable over Yoshiura and Musgrave, Applicants respectfully traverse the rejection.

Claim 1 recites, *inter alia*, “data for creating at least one security key associated with the algorithm,” and “using said first apparatus to apply a material identifier to the material and to apply a perceptible watermark to the material.”



In Yoshiura, there is no key created which is associated with the invertible algorithm using the apparatus to apply a material identifier to the material and applying the watermark to the material. The portion of Yoshiura cited to in the outstanding Office Action merely discloses assigning a unique number to a contents purchaser so as to identify the purchaser rather than the material which the purchaser is to purchase.<sup>2</sup>

Furthermore, the outstanding Office Action acknowledges that Yoshiura does not specifically mention “applying a perceptible watermark to the material in accordance with an invertible algorithm the perceptible watermark being applied to the material as part of a compression of the material, the invertible algorithm providing a perceivable impairment to the material.”<sup>3</sup>

Furthermore, Applicants respectfully submit that there is no disclosure or suggestion of the claimed “subject to predetermined conditions being satisfied, transferring from the transaction server to the second apparatus watermark removal data associated with said material identifier” in Yoshiura. As noted above, Yoshiura does not teach the removal of the embedded signature. This is further reinforced by the fact that the embedded signature is used to verify the authenticity of the content. Thus, if Yoshiura did disclose the removal of the embedded signature, then it would not be possible for the authenticity of content to be verified.

Applicants note that MPEP §2143.01(V) states “If the proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification.”

Furthermore, Musgrave does not cure the above-noted deficiencies in Yoshiura. The outstanding Office Action takes the position that Musgrave disclose a biometric watermark

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<sup>2</sup> Yoshiura, col. 3, lines 18-22.

<sup>3</sup> Office Action, page 12.

system that discloses the features not present in Yoshiura, and that it would have been obvious to a person of ordinary skill in the art at the time the invention was made to combine the disclosure of Musgrave into the system of Yoshiura. However, Applicants respectfully traverse this position.

Firstly, it is submitted that a person of ordinary skill in the art would not consider combining the biometric watermark system of Musgrave with the data authentication method of Yoshiura. This is because the system of Yoshiura relates to authentication whereas the system of Musgrave relates to the removal of a watermark. It is submitted that it would be impossible for a person of ordinary skill in the art to adapt the system described in Yoshiura, in which the signature is encrypted, with the apparatus of Musgrave to arrive at the claimed invention.

Thus, Applicants submit it is only through an impermissible hindsight reconstruction of Applicants' invention that the rejection of Claim 1 can be understood.<sup>4</sup>

Moreover, it is respectfully submitted that even if the person of ordinary skill in the art were to combine the apparatus disclosed in Yoshiura with that disclosed in Musgrave, they would not arrive at the claimed invention. This is because, as identified above, there is no disclosure in either Yoshiura or Musgrave of at least the claimed "using said first apparatus to apply a material identifier to the material."

Furthermore, Claim 1 also recites "transferring from the transaction server to the second apparatus watermark removal data associated with said material identifier." In Musgrave, as no removal data (biometric data) is transferred from the transaction server to the second apparatus (the biometric data is generated in the user apparatus), then this feature is also not in Musgrave and Yoshiura.

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<sup>4</sup> MPEP § 2143.01 "Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge of one of ordinary skill in the art."

In view of the above-noted distinctions, Applicants respectfully submit that Claim 1 (and all claims dependent thereon) patentably distinguish over Musgrave and Yoshiura, taken alone or in proper combination. Although of different statutory classes, Applicants respectfully submit that Claims 20 and 73 (and all claims dependent thereon) patentably distinguish over Musgrave and Yoshiura, taken alone or in proper combination, for at least the reasons stated for Claim 1.

With respect to the rejection of Claim 14 as unpatentable over Yoshiura in view of Musgrave, Applicants respectfully traverse the rejection. Applicants respectfully submit that a person of ordinary skill in the art would not combine Yoshiura and Musgrave, for at least the reasons stated for Claim 1. Furthermore, as identified above, there is no disclosure in either Yoshiura or Musgrave of using a first apparatus to apply a material identifier to the material. Thus, even if a person of ordinary skill in the art combined the teachings of Yoshiura and Musgrave, there would be no need to include a data carrier with a first data area that stores data for creating a material identifier.

Thus, Applicants respectfully submit that Claim 14 (and all claims dependent thereon) patentably distinguish over Musgrave and Yoshiura, taken alone or in proper combination.

Furthermore, Applicants respectfully submit that Claim 32, now written in independent form, patentably distinguishes over Yoshiura and Musgrave, taken alone or in proper combination, for at least the reasons stated for Claim 14.

With respect to the rejection of Claim 70 as unpatentable over Yoshiura and Musgrave, Applicants respectfully traverse this ground of rejection.

The outstanding Office Action relies on Yoshiura to disclose the claimed “receiving, via a first channel, the watermarked material; receiving, via a second channel, removal data which enables the removal of the perceivable watermark, wherein the first and second channels follow different paths.”

The outstanding Office Action relies on Yoshiura to disclose these elements of Claim 70. Applicants respectfully submit that Yoshiura does not disclose or suggest at least the above-noted elements of Claim 70. The figure and portion of Yoshiura cited to by the outstanding Office Action describes a provider system 100 and a purchaser system 200. It is submitted that the watermark data in Yoshiura, i.e. data that has the signature embedded therein, is not transferred between the provider and purchaser systems. Once the signature has been embedded in the content, if this content is illegally transferred to a 3<sup>rd</sup> party, the verification system can identify which purchaser provided the illegal copy. Thus, as the data is included in legally purchased content, the watermark cannot be perceivable.

Furthermore, Applicants respectfully submit that Musgrave does not cure the above-noted deficiencies in Yoshiura.

It is also submitted that even if a person of ordinary skill in the art were to combine the teachings of Yoshiura and Musgrave, they would not arrive at the claimed invention. Again, Applicants submit it is only through an impermissible hindsight reconstruction of Applicants' invention that the rejection of Claim 70 can be understood.

In view of the above-noted distinctions, Applicants respectfully submit that Claim 70 (and all claims dependent thereon) patentably distinguishes over Musgrave and Yoshiura, taken alone or in proper combination.

With respect to the rejection of Claims 74, 91, and 96 as unpatentable over Yoshiura and Musgrave, it is submitted, as mentioned above, that the claimed "material identifier" is not the same as that disclosed in column 3 of Yoshiura. The unique number disclosed in Yoshiura relates to the identity of the purchaser of the material rather than the material itself.

Moreover, there is no mention in Musgrave of the claimed "material identifier." Accordingly, even if the disclosure of Yoshiura was combined with that of Musgrave, a person of ordinary skill in the art would not arrive at the claimed invention.

In view of the above-noted distinctions, Applicants respectfully submit that Claims 74, 91, and 96 patentably distinguish over Musgrave and Yoshiura, taken alone or in proper combination.

With respect to the rejection of Claims 41-42, 53, 101-102 under 35 U.S.C. §103(a) as unpatentable over Musgrave in view of Yoshiura, Applicants respectfully traverse these grounds of rejection.

It is noted that Claims 41 and 42 are dependent from Claim 38. As noted previously, Claim 38 recites “applying identifying data to the material to identify the watermarked material.” However, neither Musgrave nor Yoshiura disclose this feature as discussed above. Therefore, even if a person of ordinary skill in the art were to combine the teachings of these references, it is respectfully submitted they would not arrive at the claimed invention. Accordingly, Applicants respectfully submit that Claims 41 and 42 patentably distinguish over Musgrave and Yoshiura, taken alone or in proper combination.

With respect to the rejection of Claim 53, it is respectfully submitted that Claim 53 patentably distinguishes over Musgrave and Yoshiura because of its dependency upon Claim 47. Applicants further submit that Yoshiura does not cure the above-noted deficiencies in Musgrave with respect to Claim 47.

With respect to the rejections of Claim 101-102, it is submitted that these claims are allowable for at least the reason they depend from Claim 97. Furthermore, Yoshiura does not disclose or suggest the deficiencies in Musgrave with respect to Claim 97. Moreover, even if the person of ordinary skill in the art were motivated to combine the teachings of Musgrave and Yoshiura, it is submitted that they would not arrive at the claimed invention.

With respect to the rejection of Claim 32, Claim 32 is written in independent form. Accordingly, Applicants respectfully submit that Yoshiura and Musgrave, taken alone or in proper combination, do not disclose or suggest the claimed camera.

With respect to the rejection of Claims 8, 76, and 79-87 under 35 U.S.C. §103(a) as unpatentable over Yoshiura in view of Musgrave and Milsted, Applicants respectfully traverse the rejection.

As noted previously, it is respectfully submitted that the combination of Yoshiura and Musgrave do not disclose or suggest the subject matter of Claim 1. It is respectfully submitted that Milsted does not cure the deficiencies in Yoshiura and Musgrave with respect to Claim 1. It is further submitted that a person of ordinary skill in the art would combine the teachings of Yoshiura (which relates to a data authentication system), Musgrave (which relates to a biometric watermark removal system), and Milsted (which relates to an on-line music store).

In effect, the outstanding rejection does little more than attempt to show that parts of the inventive combination of Claims 8, 76, and 79-87 were individually known in other arts and to suggest that such a showing is all that is necessary to establish a valid case of *prima face* obviousness. The PTO reviewing court recently reviewed such a rationale and dismissed it in *In re Rouffet*, 149 F. 3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998) as follows:

As this court has stated, "virtually all [inventions] are combinations of old elements." *Environmental Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 698, 218 USPQ 865, 870 (Fed. Cir. 1983); see also *Richdel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1579-80, 219 USPQ 8, 12 (Fed. Cir. 1983) ("Most, if not all, inventions are combinations and mostly of old elements."). Therefore an examiner may often find every element of a claimed invention in the prior art. If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be "an illogical and inappropriate process by which to determine patentability." *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1570, 38 USPQ2d 1551, 1554 (Fed. Cir. 1996). To prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. In other words, the examiner must show reasons that the skilled

artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed. [emphasis added.]

There has been no such showing of those required reasons made in the final rejection.

Moreover, the outstanding Office Action has not supported any of its assertions that a person of ordinary skill in the art, not knowing the claimed invention, would combine all the disparate features of one reference with other features from other references to arrive at the claimed invention. Interpreting the Supreme Court's decision in Dickinson v. Zurko, 50 USPQ2d 1930 (1999) regarding standard of review in patent matters, the CAFC determined that when upholding a rejection of a claimed invention in an appeal, the CAFC must find that the decision by the USPTO Board of Appeals and Interferences is supported by "substantial evidence," In re Gartside, 53 USPQ2d 1769 (Fed. Cir. 2000). Accordingly, for a rejection based on combination of references to be proper requires that the rejection be supported by substantial evidence that the motivation to combine references was not merely feasible, but desirable.

With respect to the rejection of Claim 26 under 35 USC 103 (a) as unpatentable over Yoshiura in view of Musgrave, and further in view of Finkelstein, Applicants respectfully traverse the rejection.

Again, it is submitted that, irrespective of whether Finkelstein discloses the feature from Claim 26 that outstanding Office Action concedes is not disclosed in Yoshiura and Musgrave, it is submitted that a person of ordinary skill in the art at the time of filing of the present application would not look at a digital data authentication apparatus as taught in Yoshiura, combine that with a biometric watermarking system as taught in Musgrave, and further combine that with a system for calibrating lasers taught in Finkelstein. It is respectfully submitted that there is no motivation whatsoever for a person of ordinary skill in the art to combine all these teachings at the time of filing of the present application.

In any event, it is submitted that there is nowhere disclosed in any of the cited references of the claimed "recording/reproducing medium is a linear recording medium...."

Thus, Applicants respectfully submit that Claim 26 patentably distinguishes over Yoshiura, Musgrave, and Finkelstein, taken alone or in proper combination.

With respect to the rejection Claims 27-28, 30-31 and 36 under 35 USC 103 (a) as being unpatentable over Yoshiura in view of Musgrave, and further in view of Gell, Applicant respectfully traverse these grounds of rejection. With reference to Claims 27, 28, 30, and 31, it is respectfully submitted that Claim 25, upon which Claims 27, 28, 30, and 31 depend upon, patentably distinguishes over Yoshiura in view of Musgrave. Accordingly, as Gell does not cure the deficiencies in Yoshiura and Musgrave, it is submitted that Claims 27, 28, 30, and 31 patentably distinguish over the combination of Yoshiura in view of Musgrave, and further in view of Gell.

With respect to the rejection of Claim 36 as unpatentable over Musgrave, Yoshiura, and Gell, Applicants respectfully traverse the rejection. Claim 36 patentably distinguishes over Musgrave and Yoshiura for at least the reasons stated for Claim 14. As Gell does not cure the deficiencies in Musgrave and Yoshiura, it is submitted that Claim 36 patentably distinguishes over the combination of Yoshiura in view of Musgrave, and further in view of Gell.

With respect to the rejection of Claims 43-45 under 35 USC 103 (a) as unpatentable over Musgrave in view of Gell, Applicants respectfully traverse the rejection. As noted previously, Musgrave does not disclose or suggest the claimed subject matter of Claim 38, from which Claims 43-45 depend. Applicants respectfully submit that Gell does not cure the deficiency in Musgrave.

Moreover, it is not clear how a person of ordinary skill in the art would integrate a smart card into the apparatus of Musgrave. Specifically, the whole disclosure of Musgrave relates to storing biometric data within a purchaser device rather than the content server. Therefore, it is inconceivable that a person of ordinary skill in the art would adapt the content server in Musgrave such that it would transfer the biometric data stored in the content server to the user when the user already has a copy of the biometric data.



Thus, Applicants submit it is only through an impermissible hindsight reconstruction of Applicants' invention that the rejection of Claims 43-45 can be understood.<sup>5</sup>

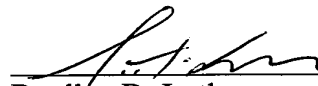
With respect to the rejection of Claims 54, 112-117 under 35 USC 103 (a) as unpatentable over Musgrave in view of Milsted, Applicants respectfully traverse the rejection. It is submitted that Musgrave does not disclose or suggest the subject matter of Claim 47, from which Claim 54 depends. Furthermore, the features of Claim 47 that are not disclosed by the combination of Musgrave and Milsted. Accordingly, it is submitted that Claim 54 patentably distinguishes over the combination of Musgrave and Milsted, at least in part because of its dependency on Claim 47.

With respect to Claims 112-117, it is respectfully submitted that Musgrave does not teach the subject matter of Claim 110, as explained above. Furthermore, it is respectfully submitted that Milsted does cure the deficiencies in Musgrave.

Consequently, in light of the above discussion and in view of the present amendment, the present application is believed to be in condition for allowance and an early and favorable action to that effect is respectfully requested.

Respectfully submitted,

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<sup>5</sup> MPEP § 2143.01 "Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge of one of ordinary skill in the art."